

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-14 PM-03 INR-05 SAB-01 SP-02
L-01 H-01 PRS-01 SIL-01 EB-04 /044 W
-----072543 172214Z /63
P 172122Z AUG 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC PRIORITY 3223

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 5892

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EO 11652: GDS
TAGS: PBOR, ELAB, PN, PQ
SUBJECT: TREATY NEGOTIATIONS - REACTION IN CANAL ZONE

SUMMARY: REACTION AMONG CANAL ZONE EMPLOYEES HAS GENERALLY BEEN BAD SINCE ANNOUNCEMENT OF AGREEMENT IN PRINCIPLE. ORGANIZED LABOR IS BITTERLY DISAPPOINTED AT APPARENT FAILURE TO OBTAIN MINIMUM GOALS, PARTICULARLY DETAILS OF EARLY RETIREMENT SYSTEM, IN TREATY PROPER. LOCAL LEADERS CONSIDER FORMAL AFL-CIO OBJECTION TO TREATY WITHOUT SUCH PROVISIONS AT LEAST A POSSIBILITY. PANAMANIAN CITIZENS, ESPECIALLY THOSE LIVING IN ZONE, ARE PARTICULARLY UNHAPPY. EMPLOYEES CONTINUE TO CRY FOR ADDITIONAL "INFORMATION", BUT OFTEN ON POINTS NOT ADDRESSED IN TREATY PROPER. LAST WEEK'S VISIT BY WYROUGH WAS USEFUL BUT NOT ENOUGH TO COUNTER THEIR PERCEPTION THAT THEIR INTERESTS HAVE BEEN NEGLECTED. A PUBLIC RALLY WILL BE HELD UNDER CIVIC COUNCIL AUSPICES WITH LABOR COOPERATION FRIDAY, AUGUST 19. TAKEN TOGETHER WITH HELMS-THURMOND VISIT, ATMOSPHERE WILL BE TENSE. WHILE IMPROBABLE, RALLY COULD CATALYZE AN ATTEMPT TO STOP CANAL. END SUMMARY.

1. REACTION AMONG BOTH US- AND NON-US-CITIZEN EMPLOYEES
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IN CANAL ZONE SINCE LAST WEEK'S ANNOUNCEMENT OF AGREEMENT IN PRINCIPLE ON NEW TREATY HAS BEEN BAD. EMPLOYEES ARE NOT HAPPY WITH WHAT THEY UNDERSTAND THE AGREEMENT CONTAINS AND DOES NOT CONTAIN.

2. LABOR LEADERS ARE UNIFORMLY BITTERLY DISAPPOINTED
AT THEIR APPARENT FAILURE TO OBTAIN THEIR MINIMUM GOALS,

PARTICULARLY SPECIFICATION OF THE DETAILS OF AN EARLY RETIREMENT SYSTEM IN THE TREATY PROPER. RELATIVE MODERATES ARE DOWNCAST, WHILE MORE RADICAL ARE ALMOST MASOCHISTICALLY PROUD THAT THEY CAN FIND SO MUCH TO BE DISSATISFIED ABOUT. AFTER MONDAY AFTERNOON CONVERSATION AT DEPT., AL GRAHAM IS UNDERSTOOD HERE TO BE "FRUSTRATED", ALBEIT NOT TOTALLY SO. ACCORDING TO LOCAL LEADERS, THEY AND AFL-CIO NATIONAL WILL MOUNT DRIVE TO INCORPORATE EARLY RETIREMENT IN TREATY, WITH POSSIBILITY OF ADVERSE COMMENT ON TREATY AS NEGOTIATED FROM AFL-CIO EXECUTIVE BOARD MEETING AT END OF AUGUST IF UNSUCCESSFUL.

3. PANAMANIAN CITIZENS, ESPECIALLY THOSE LIVING IN ZONE, APPEAR SHOCKED THAT SOME OF THEIR WORST FEARS ABOUT BEING PLACED AT MERCY OF GOP FOR THEIR HOUSING, DEPENDENT EDUCATION AND JOBS HAVE BEEN REALIZED. UNIONS REPRESENTING THIS COMMUNITY ARE DIVIDED. NMU WAS AT ONE POINT TALKING ABOUT JOB ACTION (SLOW-DOWN, SICK-OUT). (COMMENT: WE REGARD THIS AS IMPLAUSIBLE AT LEAST UNTIL REGIONAL DIRECTOR LIOEANJIIE RETURNS TO COUNTRY.) LATIN CIVIC COUNCILS ARE SIMPLY BITTER OVER WHOLE MATTER.

4. ALL EMPLOYEES CONTINUE TO CRY FOR ADDITIONAL "INFORMATION" ON TREATY, CITING DETAILS RELEASED TO PRESS BY PANAMANIAN NEGOTIATORS AND WANTING CONFIRMATION OR DENIAL. PANCANAL INFORMATION OFFICE OVER WEEKEND
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CIRCULATED FLIER SUMMARIZING NEGOTIATORS' PRESS BACKGROUND OF AUGUST 10 AND FACT SHEET DISTRIBUTED AT AUGUST 12 PRESS CONFERENCE. EMBASSY HAS PROVIDED PANCANAL WITH DEPT. FACT SHEET OF AUGUST 15.

5. MANY QUESTIONS RELATE TO AREAS NOT EXPLICITLY DEALT WITH IN AGREEMENT IN PRINCIPLE, WHICH ARE TO BE LEFT FOR CONGRESSIONAL OR MANAGEMENT ACTION. THIS ANSWER IS A TOTAL NON-STARTER WITH CANAL EMPLOYEES. THEY DO NOT TRUST A PROMISE OF LEGISLATION, AND DO NOT TRUST THE CONGRESS TO REMEMBER TO DO ANYTHING NOT SPECIFIED IN THE TREATY (E.G., PROVISION OF A COST-OF-LIVING ALLOWANCE UPON EXPIRATION OF 5-YEAR COMMISSARY AND EXCHANGE PRIVILEGES FOR CURRENT EMPLOYEES). SOME LEADERS ADMIT THAT, OBJECTIVELY, A DRAFT TREATY ACCOMPANIED BY SPECIFIC PROPOSED U.S. LEGISLATION SHOULD SATISFY THIS REQUIREMENT. BUT THEY CONSIDER THAT IT SIMPLY WOULD NOT DO THE TRICK AMONG THEIR AFFILIATES OR CONSTITUENTS AFTER THE PSYCHOLOGICAL STRAINS OF THE PAST FEW YEARS. FURTHER, THEY ASK, WHERE IS THE LEGISLATION AND WHAT WILL BE IN IT?

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C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 5892

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6. MANY EMPLOYEES FEEL "STATE DEPARTMENT" HAS NOW
CONCLUDED "ITS" TREATY WITHOUT EVER HAVING ACKNOWLEDGED
THEIR EXISTENCE. LAST WEEK'S VISIT BY WYROUGH WAS
USEFUL BUT NOT ENOUGH TO DAMP THIS PERCEPTION AT THIS
STAGE. IN ADDITION, MANY PANCANAL CIVILIANS
FEEL THAT DEPARTMENT OF DEFENSE NEGOTIATED A "SWEET-
HEART" ARRANGEMENT FOR DEFENSE, AND THEN ALLOWED CANAL
OPERATION AND ALL ASSOCIATED WITH IT TO GO HANG.

7. A PUBLIC RALLY, BILLED AS AN "INFORMATIONAL MEETING"
WILL BE HELD AT BALBOA STADIUM FRIDAY EVENING, AUGUST 19.
WE UNDERSTAND INITIATIVE FOR THIS STARTED WITH DISAFFECTED
GROUP WITHIN CLU-MTC, BUT CIVIC COUNCIL LEADERS BECAME
INVOLVED AT EARLY STATE. RALLY WILL NOMINALLY
BE UNDER CIVIC COUNCIL AUSPICES WITH "LABOR PARTICIPATION"
BY INDIVIDUALS DESIGNATED BY CLU-MTC LEGISLATIVE COMM-
ITTEE. AT LAST REPORT, NMU HAD QUERIED ITS NEW YORK
HEADQUAR RS FOR INSTRUCTIONS ON PARTICIPATION, AFSCME
WAS CONSIDERED UNLIKELY TO PARTICIPATE, CANAL PILOTS'
LEADERSHIP WAS INCLINED TO AVOID THE MEETING AND AFGE HAS
NOT BEEN HEARD FROM. ALL US-CITIZEN AND SOME LATIN
AMERICAN CIVIC COUNCILS WILL BE REPRESENTED, WITH 10
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MINUTES ALLOCATED PER SPEAKER. SENATORS THURMOND AND
HELMS HAVE BEEN INVITED TO SPEAK, WE DO NOT KNOW IF
THEY HAVE RESPONDED.

8. COMMENT: TAKEN TOGETHER WITH PROPOSED HELMS-THURMOND-
HATCH VISIT TO ISTHMUS THAT DAY, THE RALLY WILL BE TENSE AND BITTER.
THERE IS FAIR AMOUNT OF TALK OF JOB ACTION. SO FAR THIS APPEARS
TO LACK FOCUS, AND WE DOUBT THAT MUCH WOULD MATERIALIZE FROM
IT. HOWEVER, THE RALLY COULD SOLIDIFY AND CATALYZE THIS TALK
INTO ACTION. WHILE WE DO NOT YET REGARD IT AS PROBABLE,
THE RESULT COULD BE AN ATTEMPT BY THE WORKFORCE OR ELEMENTS IN
IT TO STOP THE CANAL. END COMMENT.

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